United Nations A/58/729

General Assembly

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Fifty-eighth session
Agenda item 121
Programme budget for the biennium 2004-2005

Status of possible funding arrangements for the capital master plan

Report of the Secretary-General*

Summary

In accordance with the provisions of section II, paragraph 29, of General Assembly resolution 57/292, of 20 December 2002, the Secretary-General is pleased to submit the present report on the status of possible funding arrangements for the capital master plan, as well as the status of the appropriation provided by the Assembly for the first phase of the design work.

* Submission of the report was delayed pending receipt of the loan offer from the host country.

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1. It will be recalled that, in accordance with the provisions of section II of General Assembly resolution 57/292, the Secretary-General submitted to the General Assembly the first progress report on implementation of the capital master plan (A/58/599). That report addressed, inter alia, issues on the status of contributions from public and private sources for financing the project, cooperation with the city and state of New York on the project and the progress of the design work. The present report on the status of possible funding arrangements for the project complements that report and highlights further developments with respect to the capital master plan project.

2. On 20 February 2004, the host country Government informed the Secretariat that, as host country for United Nations Headquarters, the United States of America had extended an offer to the United Nations to lend it $1.2 billion to finance the capital master plan. The offer is of a provisional nature, subject to approval by the United States Congress. Under the terms of the offer, the host country would provide financing in segments, at the request of the United Nations, during the construction phase of the capital master plan. Interest would be paid annually on the advances received, at a rate of 5.54 per cent.

3. Under the scenario proposed by the host country, $400 million would be advanced in each of the first three years of construction. Based on that scenario, the interest payable on the construction loan would be as follows:

(United States dollars)

Year	*Cumulative amount advanced*	*Annual interest payable*
1	400 000 000	22 160 000
2	800 000 000	44 320 000
3	1 200 000 000	66 480 000
4	1 200 000 000	66 480 000
5	1 200 000 000	66 480 000
Total interest on construction loan		**265 920 000**

4. Under the proposal from the host country, once construction has been completed, after five years, the construction loan would be converted to a loan repayable over a 25-year period, with an annual interest rate of 5.54 per cent. Based on that rate, the amount of repayment, including principal, would be $89,808,700 annually over the 25-year life of the loan. The total amounts to be repaid to the host country under the terms of the loan would therefore be $2,511,137,500, detailed as follows:

(United States dollars)

Loan principal repaid	1 200 000 000
Interest during construction	265 920 000
Interest paid over 25-year period	1 045 217 500
Total interest and principal paid	**2 511 137 500**

5. The General Assembly, in paragraph 25, section II, of its resolution 57/292, appropriated $25.5 million for the first phase of the design work for the capital master plan. The first phase of the design work has commenced and is likely to be completed at the end of 2004 or by February 2005, at the latest. The appropriation provided by the Assembly will cover the costs of completion of the first phase of the design. A detailed account of the expenditure to date and the anticipated expenditure in 2004 is provided in the annex to the present report.

6. In paragraph 26, section II, of its resolution 57/292, the General Assembly gave authority to the Secretary-General to enter into commitments of up to $26 million for the second phase of the design work. The Secretary-General currently anticipates that the amount will be adequate to cover the second phase of the design work, which is anticipated to commence in 2005 and to be completed by early 2006.

7. **The Secretary-General recommends that the General Assembly**:

(a) **Note with appreciation the intention of the host country Government to offer a loan to the Organization**;

(b) **Note that the loan is anticipated to be offered as repayable with interest, which would increase the overall cost**;

(c) **Request the Secretary-General to consult further with the host country authorities on the exact terms and conditions of the loan and to report on the outcome of such consultations to the Assembly at its fifty-ninth session**;

(d) **Request the Secretary-General to explore other funding opportunities, including contributions from public and private sources**.

Annex

Estimated expenditures for the first phase of the design work for the capital master plan

(Thousands of United States dollars)

	2003	*2004*
Design contractual services	600.0	16 400.0
Consultants and experts	180.0	220.0
Programme management, supervision and administration	2 540.0	5 560.0
Total	**3 320.0**	**22 180.0**

United Nations A/58/730

General Assembly

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Fifty-eighth session
Agenda item 156
Measures to eliminate international terrorism

Letter dated 9 March 2004 from the Permanent Representative of the Libyan Arab Jamahiriya to the United Nations addressed to the President of the General Assembly

In my capacity as Chairman of the Arab Group for the month of March 2004, I have the honour to transmit herewith an updated copy of the list of Arab States that have filed their instruments of ratification of the Arab Convention for the Suppression of Terrorism with the General Secretariat of the League of Arab States, which was previously deposited with the Secretariat of the United Nations and has been circulated as a document of the General Assembly.

I should be grateful if you would deposit the annex hereto with the United Nations Secretariat and have the present letter and its annex circulated as a document of the General Assembly under agenda item 156 — Measures to eliminate international terrorism.

(*Signed*) Ali Abdussalam **Treky**
Ambassador
Permanent Representative
Chairman of the Arab Group

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Annex to the letter dated 9 March 2004 from the Permanent Representative of the Libyan Arab Jamahiriya to the United Nations addressed to the President of the General Assembly

Status of the signature and ratification of the Arab Convention for the Suppression of Terrorism

A. The Convention was adopted within the framework of the League of Arab States by a decision of the Council of Arab Ministers of Justice and the Interior at their joint meeting held on 22 April 1998 at the headquarters of the General Secretariat of the League in Cairo.

B. The Convention has been signed by the Arab Ministers of Justice and the Interior of all the Arab Member States.

C. *Countries having deposited instruments of ratification with the General Secretariat of the League of Arab States*:

1.	Palestine	3 June 1998
2.	Bahrain	28 June 1998
3.	United Arab Emirates	9 December 1998
4.	Egypt	14 December 1998
5.	Saudi Arabia	28 January 1999
6.	Algeria	9 March 1999
7.	Jordan	7 April 1999
8.	Tunisia	22 April 1999
9.	Sudan	24 May 1999
10.	Libyan Arab Jamahiriya	10 June 1999
11.	Yemen	8 August 1999
12.	Oman	25 October 1999
13.	Lebanon	4 September 2001
14.	Syrian Arab Republic	3 October 2001
15.	Morocco	21 October 2001
16.	Djibouti	24 October 2001
17.	Qatar	7 March 2004

D. The Convention entered into force on 7 May 1999 pursuant to its article 40.

E. The Convention has been deposited with the Secretariat of the United Nations and listed in General Assembly documents A/54/301 of 3 September 1999, A/55/179 of 26 July 2000 and A/56/160 of 9 March 2001 in the section on the status of international legal instruments on the prevention and suppression of international terrorism.

United Nations A/58/731–S/2004/191

General Assembly
Security Council

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11 March 2004

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General Assembly
Fifty-eighth session
Agenda item 33
The situation of democracy and human rights in Haiti

Security Council
Fifty-ninth year

Letter dated 11 March 2004 from the Permanent Representative of Jamaica to the United Nations addressed to the Secretary-General

I have the honour to transmit the text of the statement concerning developments in Haiti issued by the CARICOM Heads of Government at their emergency meeting, held on 2 and 3 March 2004 in Kingston, Jamaica (see annex).

I should be grateful if the text of the present letter and its annex were distributed as a document of the General Assembly, under agenda item 33, and of the Security Council.

(*Signed*) Stafford **Neil**
Ambassador
Permanent Representative

04-26742 (E) 120304

Annex to the letter dated 11 March 2004 from the Permanent Representative of Jamaica to the United Nations addressed to the Secretary-General

Statement on the situation in Haiti

3 March 2004

CARICOM Heads of Government met on 2 and 3 March 2004 in Kingston, Jamaica, in an emergency session to consider the situation in Haiti.

The Heads of Government expressed dismay and alarm over the events leading to the departure from office of President Aristide and the ongoing political upheaval and violence in Haiti. They called for the immediate return to democratic rule and respect for the constitution of Haiti.

The Heads of Government recalled that the CARICOM Prior Action Plan had been developed with the full involvement of the United States, Canada, the Organization of American States and the European Union and fully endorsed by the international community. This initiative was guided by the need to preserve the rule of law and predicated on the precepts of shared government, binding both President Aristide and the legitimate opposition to specific commitments which would lead to a peaceful resolution of the political impasse respectful of the constitution and promoting the democratic process.

Heads of Government were disappointed by the reluctance of the Security Council to take immediate action in response to appeals for assistance by the Government of Haiti.

On Sunday, 29 February, the Security Council adopted resolution 1529 (2004), authorizing the deployment of a Multinational Interim Force to Haiti. This was what CARICOM had sought in the first place, but the decision was taken in circumstances quite different from those conceived in the CARICOM Plan since it followed immediately the departure from office of President Aristide.

They expressed the view that the circumstances under which the President demitted office set a dangerous precedent for democratically elected Governments everywhere as it promotes the unconstitutional removal of duly elected persons from office.

Reaffirming the fundamental tenets of governance within the Caribbean Community based on the Charter of Civil Society as well as the principles enshrined in the Quebec Declaration and the Inter-American Democratic Charter, Heads of Government stressed that these obligations must be used to determine the democratic nature of governance in Haiti. In this regard, no action should be taken to legitimize the rebel forces nor should they be included in any interim government. The Heads of Government also agreed that the issue of relations with the interim administration would be the subject of urgent review at the upcoming Inter-Sessional Meeting of the Conference.

Heads of Government were deeply perturbed at the contradictory reports surrounding the demission from office of the constitutionally elected President. These concerns were heightened by public assertions made by President Aristide

that he had not demitted office voluntarily. Heads of Government called for an investigation under the auspices of the United Nations to clarify the circumstances leading to his relinquishing the Presidency.

When CARICOM agreed to admit Haiti as a member of the Community, it was based on its determination to end years of isolation and bring Haiti into the Caribbean family to which it belongs by geography, history and common ancestry. Heads of Government reiterated their commitment to the people of Haiti and their intention to remain constructively engaged in the efforts to create the conditions considered necessary for their long-term safety, well-being and progress.

That commitment was most recently demonstrated in the initiative the Caribbean Community launched in January this year, with international support, to help resolve the long-standing impasse which has polarized the country.

In this regard they stressed that the Community would continue to support the political, economic and social development of its member State. Accordingly, Heads of Government mandated the CARICOM Secretary-General to establish a Task Force to coordinate CARICOM assistance to Haiti in those areas where it has the capacity. In keeping with Security Council resolution 1529 (2004), Heads of Government agreed to participation in the follow-on United Nations stabilization force, in efforts to provide humanitarian assistance, the rebuilding of the economy and civil society, and the reconstitution of the democratic structures, processes and institutions of the country. In the prevailing circumstances Heads of Government do not envisage their participation in the Multinational Interim Force authorized by the Security Council.

Heads of Government reiterated the importance of a return to constitutional democracy and expressed the wish to see the quick restoration of peace and stability in Haiti and the earliest return to constitutional democracy by working with the people of Haiti in a sustained effort to rebuild democratic institutions. They underlined that any approach to returning Haiti to a state of normalcy must include an economic and social development plan.

Heads of Government welcomed the appointment of a Special Adviser to the United Nations Secretary-General and committed themselves to working closely with him in these efforts. They stressed that creating the conditions for political stability, economic development and the institutional reconstruction of Haiti requires a long-term commitment on the part of the international community, including the international financial institutions.

The Heads of Government continue to be concerned about the security situation in Haiti. They affirmed that the disarmament of illegally armed groups must be an urgent priority. There are continuing reports that the situation in Port-au Prince is chaotic and, notwithstanding the presence of international military forces, respect for law and order is not in evidence. They deplored the loss of life, the destruction of private property and politically motivated attacks, including threats against members of the Government. They therefore called on the international forces to bring a stop to the lawlessness and reminded them of their legal obligation to do so.

Heads of Government deplored the present turmoil in Haiti leading to an outflow of Haitians, a situation which is placing strains on the resources of neighbouring States.

Heads of Government agreed to keep the evolving political situation under review with a view to determining further action in the interest of the Haitian people.

United Nations A/58/732

General Assembly

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Fifty-eighth session
Agenda item 134
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Implementation of paragraph 3 of General Assembly resolution 57/323

Peacekeeping Reserve Fund

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the note by the Secretary-General on the implementation of paragraph 3 of General Assembly resolution 57/323 (A/58/723) and the report of the Secretary-General on the Peacekeeping Reserve Fund (A/58/724).

Implementation of paragraph 3 of General Assembly resolution 57/323

2. By its resolution 57/323 of 18 June 2003, the General Assembly requested the Secretary-General to return 50 per cent of the net cash available for credit to Member States as at 30 June 2002, in the amount of $84,446,000, by 30 June 2003 and decided to postpone the return of the remaining 50 per cent until 31 March 2004 in respect of the fund balances of the United Nations peacekeeping operations listed in paragraph 1 of the note by the Secretary-General (A/58/723).

3. The Advisory Committee notes from the table in paragraph 2 of that note that the net cash available for credit to Member States from those operations, as at 29 February 2004, amounts to $57.4 million. However, loans totalling $152 million were made between 30 June 2003 and 29 February 2004 as the result of significant cash shortages in the United Nations Interim Administration Mission in Kosovo, the United Nations Mission for the Referendum in Western Sahara, the International Criminal Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda owing to the non-payment of assessed contributions, which threatened the viability of those operations (ibid., para. 3).

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4. The Advisory Committee was provided with information on the amounts received andd outstanding for the International Tribunals, as at 29 February 2004 (see annex I below). The Committee was also provided with information on closed peacekeeping missions with cash deficits as at 30 June 2003 (see annex II below).

5. The cash available in the Peacekeeping Reserve Fund as at 29 February 2004 amounts to $74 million. This plus the $57.4 million currently available in the special accounts of closed missions (see para. 3 above) totals $131.4 million.

6. In this connection, information was provided to the Advisory Committee concerning projected cash requirements for peacekeeping missions from March to September 2004. Three missions were expected to start up by June 2004 — in Côte d'Ivoire, Haiti and the Sudan — each of which would require a pre-mandate commitment authority of $50 million, with the result that the Peacekeeping Reserve Fund would reach maximum utilization.

7. The Advisory Committee was informed that budget for the United Nations Operation in Côte d'Ivoire (UNOCI) would be submitted to the General Assembly at its resumed fifty-eighth session, in May 2004. Assessment notices would be sent in July. The mission in the Sudan is expected to be large and it is anticipated that there will be a need for additional interim funding above $50 million, which would require the approval of the Assembly. A budget for the mission will be submitted to the Assembly in September 2004. For Haiti, a budget will also be submitted in September 2004. For all of these, the Peacekeeping Reserve Fund and/or borrowing from closed missions will be necessary for financing until assessments begin to be paid.

8. The Advisory Committee was further informed that, in addition, extension of the United Nations Mission of Support in East Timor (UNMISET) may be authorized by the end of April 2004. In that case, interim funding would be required for the period from July to December 2004 until a revised budget for the period 2004/05 is submitted in September. The Committee was informed that the balance in the special account for UNMISET would be used for that purpose; however, June and September payments to troop-contributing countries for troop costs and contingent-owned equipment might have to be postponed in order to conserve cash until assessed contributions come in.

9. The above scenarios do not include potential developments in respect of Cyprus and Burundi. Because of the fragile financial situation outlined above and the fact that assessed contributions normally take from 45 to 60 days to start to come in, the cash available in closed missions would be required as a buffer to supplement the Peacekeeping Reserve Fund.

10. It is indicated in paragraph 6 of the note by the Secretary-General that prudence dictates that the return to Member States of the amount of $84,446,000, representing 50 per cent of the net cash available for credit to Member States as at 30 June 2002, be postponed; the Secretary-General proposes that this issue be revisited at the fifty-ninth session of the General Assembly in the autumn of 2004.

11. **In the opinion of the Advisory Committee, the postponement of the return of "available cash" to Member States is a policy decision to be determined by the General Assembly.**

12. **However, the Advisory Committee points out that cash from closed missions appears to be the only source that can be used for temporary cross-borrowing when the International Tribunals or active peacekeeping operations run out of cash. Cash from closed missions is also a source of funding for new missions, in addition to the Peacekeeping Reserve Fund (see para. 16 below). Borrowing from active missions is not permitted under General Assembly resolutions (see, for example, Assembly resolution 57/335, para. 23); the use of the Peacekeeping Reserve Fund is restricted to the purposes set out in Assembly resolution 49/233 A of 23 December 1994 (see para. 13 below).**

Peacekeeping Reserve Fund

13. The report of the Secretary-General (A/58/724) provides information on the status of the Peacekeeping Reserve Fund. The Advisory Committee recalls that the General Assembly, in its resolution 47/217 of 23 December 1992, created a Peacekeeping Reserve Fund as a cash-flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations, and decided that the level of the Fund should be $150 million. The Assembly, in its resolution 49/233 A, decided to limit the utilization of the Fund to the start-up phase of new peacekeeping operations, to the expansion of existing ones or to unforeseen and extraordinary expenditures related to peacekeeping.

14. As indicated in the audited financial statements for the 12-month period from 1 July 2002 to 30 June 2003, the level of the Fund, as at 30 June 2003, was $194.3 million. Of that amount, $33.3 million was transferred to the support account for peacekeeping operations for the period from 1 July 2003 to 30 June 2004 under the terms of General Assembly resolution 57/317 of 18 June 2003, leaving an amount of $161.0 million.

15. The Advisory Committee notes from paragraph 3 of the report that, as at 29 February 2004, the fund balance was $163.0 million, consisting of available cash ($74 million), loans to the United Nations Mission in the Central African Republic ($13 million), which are still outstanding, and loans to the United Nations Mission in Liberia ($76 million) for its start-up requirements.

16. The Secretary-General indicates that it is vital that the Fund be maintained at its current authorized level (ibid., para.7). As noted in paragraphs 6 to 9 above, the Peacekeeping Reserve Fund will be required to meet the immediate cash requirements of UNOCI, UNMISET and other potential missions. The Advisory Committee notes from paragraph 6 of the report that the level of the strategic deployment stocks would not be adequate to meet all those requirements. Upon enquiry, the representatives of the Secretary-General indicated that increasing the level of the Peacekeeping Reserve Fund would require a separate decision by the General Assembly and a separate assessment, which, with the current pattern of payments, would not address short-term liquidity requirements. **The Committee is of the view that an increase in the level of the Peacekeeping Reserve Fund would have little or no impact on the short-term cash-flow problem, which can be solved only by an improved pattern of payment of assessed contributions.**

17. The action to be taken by the General Assembly in connection with the Peacekeeping Reserve Fund is indicated in paragraph 8 of the report. **The Advisory Committee recommends acceptance of the proposals of the Secretary-General**

to maintain the level of the Fund at $150 million and that the balance in excess of the authorized level of the Fund, namely $11.047 million, be applied to meet the financing of the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005.

Annex I

Amounts received and outstanding, International Criminal Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda

Year	*Assessments*	*Receipts*	*Total outstanding at year's end*
International Criminal Tribunal for the Former Yugoslavia			
1995	20 159 822	16 152 748	4 007 074
1996	16 310 247	15 448 060	4 869 261
1997	22 543 202	18 205 005	9 208 860
1998	48 292 999	46 361 629	11 140 357
1999	92 723 552	85 273 984	18 589 925
2000	87 926 036	80 350 175	26 068 979
2001	88 192 566	90 186 849	24 074 820
2002	110 323 286	106 386 819	28 013 501
2003	119 151 883	93 964 421	53 200 963
2004[a]	159 519 216	67 891 396	144 828 783
International Criminal Tribunal for Rwanda			
1995	6 526 500	5 321 621	1 204 879
1996	13 297 166	11 829 933	2 672 112
1997	12 680 162	10 332 590	5 020 329
1998	50 802 376	46 971 321	8 851 513
1999	62 126 144	57 628 111	13 349 546
2000	78 498 435	70 661 357	21 123 678
2001	80 716 179	82 143 806	19 696 135
2002	88 745 685	93 028 721	15 415 084
2003	98 089 500	78 813 562	34 741 022
2004[a]	113 743 821	41 856 249	106 628 594
Total, International Tribunals			
1995	26 686 322	21 474 369	5 211 953
1996	29 607 413	27 277 993	7 541 373
1997	35 223 364	28 537 595	14 229 189
1998	99 100 403	93 333 598	19 995 994
1999	154 849 696	142 906 219	31 939 471
2000	166 425 095	151 011 948	47 192 865
2001	168 913 166	172 330 877	43 775 154
2002	199 068 971	199 415 540	43 428 585
2003	217 241 674	172 778 274	87 941 985
2004[a]	273 263 037	109 747 645	251 457 377

[a] Receipts and outstanding amounts are as at 29 February 2004.

Annex II

Closed missions with a cash deficit (as at 30 June 2003)

(Thousands of United States dollars)

Category	*MINUGUA*	*ONUMOZ*	*UNOSOM*	*MIPONUH*	*UNTAC*	*MINURCA*	*Total*
1. Cash assets	1	607	1 894	1 772	805	277	5 355
2. Less: Liabilities	(132)	(2 096)	(22 717)	(10 210)	(42 686)	(28 036)	(105 745)
3. Amount to be returned to Member States under General Assembly resolution 56/292 (strategic deployment stocks)	-	-	-	-	-	-	-
4. Cash available (deficit) for credit to Member States (1 less 2)	**(131)**	**(1 489)**	**(20 823)**	**(8 438)**	**(41 881)**	**(27 759)**	**(100 390)**
5. Uncollected assessments and other receivables	149	18 762	61 425	19 878	43 372	35 944	179 381
6. Balance as at 30 June 2003 (5 less 4)	**18**	**17 273**	**40 602**	**11 440**	**1 491**	**8 185**	**78 991**

Acronyms: MINUGUA, United Nations Verification Mission in Guatemala; ONUMOZ, United Nations Operation in Mozambique; UNOSOM, United Nations Operation in Somalia; MIPONUH, United Nations Civilian Police Mission in Haiti; UNTAC, United Nations Transitional Authority in Cambodia; MINURCA, United Nations Mission in the Central African Republic.

United Nations A/58/733

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Agenda item 121
Programme budget for the biennium 2004-2005

Request for a subvention to the Special Court for Sierra Leone

Report of the Secretary-General

Summary

In an exchange of letters between the Secretary-General and the President of the Security Council (S/2004/182 and S/2004/183), the Secretary-General drew the attention of the Council to the difficulties faced by the Special Court for Sierra Leone with regard to its third-year budget and proposed that the matter be brought to the attention of the General Assembly with a view to seeking the appropriation of funds for the Court. The President of the Security Council noted the course of action proposed by the Secretary-General and expressed no objection.

The present report, submitted in response to the exchange of letters, sets out the overall level of resources required for the period from 1 July 2004 to 31 December 2005.

The approval of a subvention of up to $40 million is sought from the General Assembly, of which $16.7 million relates to the period from 1 July to 31 December 2004 and the remaining $23.3 million relates to 2005. Given that the amount requested is to supplement voluntary contributions, including those that have been pledged but have not yet been paid, the Secretary-General intends to report to the General Assembly at the main part of its fifty-ninth session on the status of such contributions and seek the approval of the Assembly for the release of the relevant balance of the overall requirements indicated in the present report. To the extent that voluntary contributions received exceed the level currently anticipated, the amount assessed would be reduced.

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I. Introduction

1. In his letter to the President of the Security Council dated 26 February 2004 (S/2004/182), the Secretary-General informed the Council of the financial difficulties faced by the Special Court for Sierra Leone with regard to its operation beyond 1 July 2004. Notably, the Council was advised that, despite the efforts of the Secretary-General as well as demarches and other efforts at the highest level by representatives of Member States, financing through voluntary contributions would carry the Special Court only to the end of the second year of its operation (i.e., until 30 June 2004), by which time the Court would have consumed most of the moneys thus far available to it.

2. In this connection, the Secretary-General indicated that the shortfall for all or part of the third-year costs should be addressed through assessment, while preserving the independent nature of the Special Court. Further, the Secretary-General indicated that the Council might wish to invite him to bring the matter to the attention of the General Assembly.

3. In his letter to the Secretary-General (S/2004/183) dated 10 March 2004, the President of the Security Council expressed no objection to the approach proposed by the Secretary-General on the understanding that any action taken with the General Assembly on the issue would in no way affect the independence and structure of the Special Court for Sierra Leone as established by the Agreement between the United Nations and the Government of Sierra Leone signed on 16 January 2002.

4. The present report is submitted in response to that exchange of letters. It sets out the overall level of resources required for the period from 1 July 2004 to 31 December 2005 and requests a subvention of up to $40 million to supplement voluntary contributions, including those that have been pledged but have not yet been paid, as well as those received. Since its inception, the Special Court has been sustained by voluntary contributions of $49.3 million.

II. Historical background on the financing of the Special Court for Sierra Leone

5. The Security Council, by its resolution 1315 (2000) of 14 August 2000, requested the Secretary-General to negotiate an agreement with the Government of Sierra Leone with a view to creating an independent special court with the primary objective of prosecuting persons who bore the greatest responsibility for the commission of crimes against humanity, war crimes and other serious violations of international humanitarian law, as well as crimes under relevant Sierra Leonean law within the territory of Sierra Leone.

6. In previous reports (S/2000/915, para. 70, and S/2001/40, para. 11), the Secretary-General has expressed the view that the only realistic solution was for the Special Court to be financed from assessed contributions, as it would produce a viable and sustainable financial mechanism affording secure and continuous funding. In his letter to the Secretary-General dated 22 December 2000 (S/2000/1234), the President of the Security Council reiterated the support of the Council for its resolution 1315 (2000), under which the creation of the Special Court

would be funded through voluntary contributions. It was, however, understood by the Security Council that the Secretary-General would not be expected to create any institution for which he did not have adequate funds in hand for at least 12 months and pledges to cover expenses for a second year of the Court's operation.

7. Consequently, after sufficient funds had been received and substantial amounts pledged for that purpose, on 16 January 2002 the United Nations Legal Counsel and the Attorney-General of Sierra Leone signed the Agreement between the United Nations and the Government of Sierra Leone on the Establishment of a Special Court for Sierra Leone (S/2002/246 and Corr. 2 and 3, appendix II).

III. Progress made

8. The Special Court is presently in its second year of operation. Since its inception in July 2002, tremendous progress has been made in setting up the Court in Freetown. The Registrar has put in place the necessary infrastructure and support services to ensure effective support to the Chambers and the Office of the Prosecutor as well as provision of a competent defence of the accused. In addition, he continues his efforts to mobilize resources.

9. The Prosecutor has been conducting extensive investigations both inside and outside Sierra Leone with a view to going to trial shortly, the Special Court's courthouse having recently been opened, on 10 March 2004. As at February 2004, 11 persons associated with all three of the country's former warring factions stood indicted by the Special Court. They are charged with war crimes, crimes against humanity and other serious violations of international humanitarian law. Specifically, the charges include murder, rape, extermination, acts of terror, enslavement, looting and burning, sexual slavery, conscription of children into an armed force and attacks on United Nations peacekeepers and humanitarian workers, among others. Indictments against two other persons were withdrawn in December 2003 due to the deaths of the accused. The trial chamber recently ruled that the nine persons indicted by the Court and currently in its custody should be tried in three groups. Trial activity will commence in May 2004. The estimated duration of the three trials is approximately one year. Allowing for appeals after the trial judges have rendered their decisions, these trials are estimated to be completed by December 2005.

IV. Financial position

10. Despite efforts by the Special Court, the Secretary-General and Member States to mobilize further resources, the level of voluntary contributions available to the Court remains low. Current estimates indicate that available voluntary contributions will carry the Special Court only to the end of its second year of operations, or 30 June 2004.

11. While the mobilization of resources is continuing, immediate alternative mechanisms for financing are necessary in order to bridge the anticipated shortfall. Until very recently, the Special Court anticipated that approximately $8 million might yet be available from voluntary contributions. However, as reflected in annex I below, because of a shortfall in the second year, the Special Court now

anticipates that only $1.8 million will be available from voluntary contributions for the third year. The proposed overall level of resources required for the period up to 30 June 2005 (the end of the third year of its operation) is almost $30 million, as summarized in annex II, generating an anticipated shortfall of approximately $28.2 million. In addition, while a definitive exit and completion strategy has yet to be finalized, an amount of $10 million for the period from 1 July to 31 December 2005 is proposed for the completion phase, reflecting a reduced scope of activities.

12. In this connection, to ensure that the Special Court is able to complete the work it started two years ago, the Secretary-General proposes that a subvention of up to $40 million be made available to the Special Court, while preserving its independent nature and structure. Of that amount, an estimated $16.7 million (taking into account currently available voluntary contributions of $1.8 million) would be made available for the period from 1 July through 31 December 2004 from the unearmarked balance of the provision for special political missions under section 3, Political affairs, of the programme budget for the biennium 2004-2005. As efforts are expected to continue to be made to mobilize voluntary contributions, the Secretary-General intends to revert to the General Assembly at its fifty-ninth session on the status of the Court's financial position and, as necessary, the appropriation and approval of the release of the balance of overall resources up to $23.3 million requested in the present report to supplement voluntary contributions pledged but as yet unpaid, as well as contributions that have been received during the period. The position is summarized in annex III.

13. The requested subvention, once approved by the General Assembly, would be disbursed by the Organization to the Special Court on an incremental basis through the mechanism of the Controller effecting transfers to the Registrar. The Registrar, as an appointee of the Secretary-General, would be required, in this connection, to provide the Controller with monthly statements of all expenditures and income of the Special Court. The existing arrangements whereby the Court contracts with the Office of Internal Oversight Services for internal audits and with the Auditor-General of South Africa for external audit services would remain in place. At the time of the liquidation of the Court, any residual funds would revert to the United Nations.

V. Conclusion and recommendation

14. **The Secretary-General seeks the approval of the General Assembly for funding of up to $40 million to supplement the financial resources of the Special Court for Sierra Leone to enable it to complete its mandate.**

15. **Should the General Assembly decide to approve such support for the Special Court, a subvention in the amount of $16.7 million would be required for the period from 1 July to 31 December 2004, to be charged to the unearmarked balance of the provision for special political missions under section 3, Political affairs, of the programme budget for the biennium 2004-2005. The Secretary-General would report to the General Assembly at the main part of its fifty-ninth session on action required for appropriation of the balance of requirements, up to $23.3 million, for the year 2005 for completion of the work of the Court.**

Annex I

Availability of funds for the Special Court for Sierra Leone as at 10 March 2004 (1 July 2003 to 30 June 2005)

(United States dollars)

Income	
A. Contributions received	
Year-2 pledges received	13 530 790.19
Additional year-2 receipts above amounts pledged and not pledged	8 418 896.41
Year-3 pledges received in advance	9 287 347.50
Additional year-3 receipts above amounts pledged and not pledged	1 959 170.95
Subtotal (A)	**33 196 205.05**
B. Pledges unpaid	
Outstanding year-2 pledges	185 289.81
Outstanding year-3 pledges[a]	3 156 500.00
Subtotal (B)	**3 341 789.81**
Total voluntary contributions (A+B)	**36 537 994.86**
Total expenditure for the period 1 July 2003 to 30 June 2004	**34 705 626.00**
Excess/(shortfall) of income over expenditure for carry-over to 2004-2005	**1 832 368.86**

[a] Includes an advance contribution for year 3 from the United Kingdom of Great Britain and Northern Ireland in the amount of $2.8 million with expected receipt date of 1 April 2004.

Annex II

Indicative resource requirements as reflected in the budget of the Court for its third year of operations (1 July 2004-30 June 2005)

Table 1
Requirements by component
(United States dollars)

Component	*2004-2005 estimate*
1. The Chambers	2 754 480
2. The Office of the Prosecutor	5 447 492
3. The Registry	21 780 408
Total	**29 982 380**

Table 2
Requirements by object of expenditure
(United States dollars)

Object of expenditure	*2004-2005 estimate*
Posts (gross)	17 487 974
Temporary posts	881 833
Compensation to judges	1 652 200
Consultants and experts	250 000
Witness costs	1 328 347
Travel	668 790
Contractual services	4 672 240
General operating expenses	2 145 355
Hospitality and outreach	20 000
Supplies and materials	875 641
Total	**29 982 380**

Table 3
Post requirements

Category	
Professional and above	
Judges (USG level)	11
USG	1
ASG	2
D-2	4
D-1	1
P-5	8
P-4	19
P-3	29
P-2	21
P-1	2
Subtotal	**98**
General Service	
Principal level	7
Local level	168
Field Service	65
National Professional Officer	3
Subtotal	**243**
Total	**341**

Annex III

Financing of the Special Court for Sierra Leone, 2004-2005

(United States dollars)

A. Requirements	
1 July to 31 December 2004[a]	18 500 000
1 January to 30 June 2005	11 500 000
1 July to 31 December 2005 (completion phase)	10 000 000
Total estimated requirements	**40 000 000**
B. Subvention	
Amount to be effected in mid-2004 against existing appropriation[a]	16 700 000
Maximum subvention to be effected at end of 2004 by revised appropriation	23 300 000
Total subvention	**40 000 000**

[a] This figure reflects $18.5 million in expenditure being made by a subvention of $16.7 million and use of the anticipated balance of $1.8 million as of 30 June 2004.